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MICHIGAN NATURAL RESOURCES TRUST FUND



2005 ANNUAL REPORT

**Michigan Department of Natural Resources
Grants Management**

IC 1906 (Rev. 02/27/2006)

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"The Michigan Department of Natural Resources is committed to the conservation, protection, management, use and enjoyment of the State's natural resources for current and future generations."

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The Natural Resources Commission, as the governing body for the Michigan Department of Natural Resources, provides a strategic framework for the DNR to effectively manage your resources. The NRC holds monthly, public meetings throughout Michigan, working closely with its constituencies in establishing and improving natural resources management policy.

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2005
MICHIGAN NATURAL RESOURCES TRUST FUND
ANNUAL REPORT

Lansing, Michigan
January 2006

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MICHIGAN NATURAL RESOURCES TRUST FUND

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I. INTRODUCTION

This document is submitted in compliance with Section 1906(2) of the Michigan Natural Resources Trust Fund (MNRTF) Act, Part 19 of the Natural Resources and Environmental Protection Act, 451 PA 1994 (Act 451), as amended. Part 19 of Act 451 requires that by January 16 of each year, an Annual Report be submitted to the Governor and Legislature detailing the operations of the MNRTF Board of Trustees for the preceding one-year period. The report provides a summary of the activities of the MNRTF Board and Program for calendar year 2005, including projects recommended for funding and program revenues and expenditures.

II. HISTORY OF THE MICHIGAN NATURAL RESOURCES TRUST FUND

The MNRTF began as the “Kammer Recreational Land Trust Fund Act of 1976” via PA 204 of 1976. Act 204 created the Michigan Land Trust Fund (MLTF) program to provide a source of funding for the public acquisition of lands for resource protection and public outdoor recreation. Funding was derived from royalties on the sale and lease of State-owned mineral rights.

On November 6, 1984, Michigan residents voted in favor of Proposal B, which amended the State Constitution and created the MNRTF. The constitutional amendment required that oil, gas, and other mineral lease and royalty payments be placed into the Trust Fund, with proceeds used to both acquire and develop public recreation lands. To implement the constitutional amendment, the Legislature passed the Michigan Natural Resources Trust Fund Act of 1985 (PA 101 of 1985). This act stipulated that in any one fiscal year up to a third of all mineral lease revenues, plus the interest and earnings of the Trust Fund, could be used to both purchase land for resource protection and public outdoor recreation and develop outdoor recreation facilities.

Act 101 of 1985 also specified that not less than 25 percent of the total expenditures from the Trust Fund in any fiscal year shall be expended for land acquisition and rights in land, and not more than 25 percent of the total expenditures from the Trust Fund in any fiscal year be expended for development of public recreation facilities. In addition, Act 101 authorized the use of Trust Funds to make the annual payments in-lieu of taxes to local units of government that are required under subpart 14 of Part 21 of the Natural Resources and Environmental Protection Act, 451 PA 1994, as amended. Trust Funds are used to meet the DNR's obligations under Part 21 for lands acquired by the DNR with MNRTF assistance.

On November 8, 1994, Michigan voters approved Proposal P, which also amended the State Constitution. The 1994 amendment reversed a previous constitutional provision which allowed the diversion of Trust Fund revenue to the Michigan Strategic Fund. Proposal P also established the State Park Endowment Fund for the operation, maintenance and capital improvements at Michigan's State Parks, and provided for the distribution of \$10 million annually in Trust Fund revenues to the new Endowment Fund. The 1994 amendment also raised the maximum amount that can accumulate in the Trust Fund from \$200 million to \$400 million.

On August 6, 2002, Michigan residents approved Proposal 2. This amendment to Article IX allows the MNRTF to invest in a wider array of investments, raises the current cap on the maximum allowable amount from \$400 million to \$500 million, and allows up to one-third of the Trust Fund revenues to be spent annually, until the principal reaches \$500 million.

III. BOARD MEMBERSHIP

The Board of Trustees created by the MNRTF Act is composed of five members. These members are the Director of the Department of Natural Resources (DNR) or a member of the Natural Resources Commission, as determined by the Natural Resources Commission, and four residents of the State appointed by the Governor.

The four citizen members appointed by the Governor and serving their terms during 2005 were:

Mr. Steven Hamp from Ann Arbor, for a term expiring October 1, 2009; Ms. Lana Pollack from Ann Arbor, for a term expiring October 1, 2007; Mr. Frank Torre from West Bloomfield, for a term expiring October 1, 2008; and Mr. Sam Washington from West Bloomfield, for a term expiring October 1, 2006. The Natural Resources Commission was represented by Commissioner Bob Garner from Cadillac. Mr. Washington served as Chairperson through 2005.

IV. BOARD ACTIVITIES AND ACHIEVEMENTS IN 2005

The Trust Fund Board met six times in 2005 to conduct business. An evening meeting was held on December 5th in Lansing to provide an opportunity to discuss the list of recommended projects. The following is a summary of their actions:

Allocation of Project Funds

Section 1907(1) of Part 19, PA 451 of 1994, requires that by January of each year the Board submit to the Legislature a priority list of lands recommended for acquisition and/or development.

Applications for MNRTF assistance are accepted annually. Applications are accepted from both local units of government and State agencies, primarily the land managing divisions of the Department of Natural Resources (DNR). Applications are reviewed and scored by Grants Management of the DNR. Final grant recommendations are made by the MNRTF Board and submitted to the Legislature for approval and appropriation of funds.

The 2005 Recreation Grants Selection Process booklet which explains the program and application requirements was made available to prospective applicants in January 2005. Applications for MNRTF land acquisition and recreation facility development projects were accepted from the DNR and local units of government on April 1, 2005. A secondary application deadline for acquisition and development applications was available on August 1, 2005.

DNR's Grants Management staff review applications for eligibility and conformance to the stated program goals and evaluation criteria. For applications received in April, Grants Management staff conducted a preliminary evaluation and made the results available to applicants before the final scoring process was conducted. Also for applications received in

April and August, Grants Management staff conducted a site visit of certain sites to verify conditions described in the application.

During 2005, over 150 MNRTF applications requesting more than \$111 million in assistance were evaluated and scored by Grants Management staff based on criteria and a scoring model approved by the Board. The staff rankings for acquisition and development projects were submitted to the Board in December. These rankings were based on application scores and the funds available. The Board considered staff recommendations and other appropriate factors in making its recommendations.

At its December 6, 2005 meeting, the Board officially adopted its 2005 project recommendations for land acquisition and development projects for submission to the Legislature. The list included the following projects, subject to legislative approval and appropriation of funds:

- 22 acquisition grants totaling \$29.4 million - 12 local acquisition grants totaling \$8.6 million and 10 State acquisition grants totaling \$20.8 million.
- 30 development grants totaling \$7.8 million – 27 local development grants totaling \$6.4 million and 3 State development grants totaling \$1.3 million.

Upon the request of the Department of Management and Budget (DMB), the Board's recommendations were submitted to DMB for inclusion in a 2005 supplemental appropriations bill.

The list of approved acquisition projects in priority order are provided below:

PROJECT NO.	APPLICANT	COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF05-132	DNR	Various	CMS Arcadia/Green Pt. Dunes Conservation Easement	Acquisition of a conservation easement with public access to 1,850 acres on Lake Michigan, including 2.4 miles of coastline and 280 acres of critical dunes. Third of three phases.	\$2,675,000
TF05-141	DNR	Cheboygan	Lee Grande Ranch Conservation Easement	Acquisition of a conservation easement, including public access on approximately 2,560 acres of land that is almost entirely surrounded by state forest land. Second of two phases.	\$2,750,000
TF05-078	Keweenaw County	Keweenaw	Gratiot River County Park Addition	Acquisition in fee simple of 100 acres with 4,000 feet of Lake Superior shoreline to expand public recreation at the existing Gratiot River County Park and protection of the natural and scenic values of the Gratiot River.	\$1,957,500
TF05-156	DNR	Roscommon	Russell Lake Winter Deer Habitat Acquisition	Acquisition of winter deer habitat and consolidation of ownership in Roscommon State Forest Management Unit.	\$1,820,000
TF05-133	DNR	Various	Kamehameha Schools Development Rights Purchase	Acquisition of working forest conservation easement allowing continued timbering and public access on approximately 248,000 acres.	\$5,000,000
TF05-140	DNR	Kalkaska	Flowing Well Conservation Easement	Acquisition of conservation easement totaling approximately 1,720 acres surrounded by state forest land, including a winter deer yard, blue ribbon trout streams and North Branch of the Manistee River.	\$3,500,000
TF05-154	DNR	Various	Wildlife Area Consolidation Lump Sum	Acquisition of inholdings within state game and wildlife areas statewide with an emphasis on southern Michigan.	\$1,250,000
TF05-102	OAKLAND TOWNSHIP	Oakland	Stony Creek Corridor Park Acquisition	Acquisition in fee simple of 60.56 acres with 2,000 linear feet of frontage on the west branch of Stony Creek and forest for passive recreation and regional trail link.	\$893,700
TF05-142	DNR	Charlevoix	Bear River Parcel Conservation Easement	Acquisition of a conservation easement over 225 acres with over one mile of Bear River frontage.	\$280,000
TF05-119	CALUMET TOWNSHIP	Houghton	Swedetown Recreation Area Acquisition	Acquisition in fee simple of 280 acres, including 80 acres of wetlands and an 8-acre pond for recreation purposes, including hunting, fishing and hiking.	\$105,200

PROJECT NO.	APPLICANT	COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF05-155	DNR	Various	Winter Deer Habitat Initiative	Acquisition of winter deer habitat with an emphasis in the Upper Peninsula.	\$1,350,000
TF05-136	DNR	Statewide	State Trailways Initiative	Acquisition of approximately 200 miles of rail corridor in the upper and lower peninsulas that are critical links in the overall state recreation and snowmobile trail network.	\$1,900,000
TF05-032	OAKLAND COUNTY	Oakland	Highland Township Property Acquisition	Acquisition in fee simple of 260 acres encompassing wetlands, forests and other natural features in Highland Oaks County Park.	\$1,440,000
TF05-055	KENT COUNTY	Kent	Coldwater/Thornapple River Acquisition	Acquisition in fee simple of 89 acres containing the confluence of the Coldwater and Thornapple Rivers.	\$962,000
TF05-171	CLARE	Clare	Pere Marquette Trail Extension	Acquisition in fee simple title of 1.4 acres to extend the Pere Marquette Rail-Trail.	\$99,100
TF05-097	WATERFORD TOWNSHIP	Oakland	Elizabeth Lake Woods Park Expansion	Acquisition in fee simple of 25 acres within the reach of the Clinton River to protect mature oak forest and fragile wetlands.	\$87,000
TF05-010	ST. CHARLES	Saginaw	St. Charles Area Park Land Acquisition	Acquisition in fee simple of two separate parcels contiguous to St. Charles Park containing 6.7 and 1.9 acres for the development of a disc golf course.	\$45,700
TF05-063	BEAR CREEK TOWNSHIP	Emmet	Walloon Lake Access	Acquisition in fee simple of 333 feet of frontage on Walloon Lake for a public boat launch and beach.	\$2,018,400
TF05-165	NOVI	Oakland	Village Wood Lake/Orchard Hills West Acquisition	Acquisition of 51 acres containing 5,200 feet of frontage on the Rouge River and wetlands.	\$846,400
TF05-147	DNR	Leelanau	Lighthouse West Property Conservation Easement	Acquisition of a conservation and access easement of 42 acres and 640 feet of Lake Michigan shoreline to ensure the protection of essential bird migratory stopover habitat.	\$330,000
TF05-047	WAYLAND	Allegan	Wayland Rabbit River Recreation Project	Acquisition in fee simple of 26.2 acres of high quality natural land, including wooded areas, wetlands and 900 feet of frontage on the Rabbit River for passive recreation activities, including pedestrian trailways, interpretive areas and fishing.	\$130,000
TF05-024	ANTRIM COUNTY	Antrim	Grass River Natural Area Addition	Acquisition in fee simple of 9.27 acres of forested wetland with 150 feet on Clam Lake, and 1.2 acres of forested wetland with 111 feet on the Grass River.	\$50,000

The list of approved development projects in priority order are provided below:

PROJECT NO.	APPLICANT	COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF05-018	ST. IGNACE	Mackinac	Huron Boardwalk	Development of 1,155 linear feet of boardwalk to connect with existing 5,000 feet of boardwalk along Lake Huron for public recreation.	\$137,500
TF05-021	GLADSTONE	Delta	Gladstone 10 th Street Pier	Development of a 300' x 14' fishing pier on Little Bay de Noc to provide access and shore fishing to Lake Michigan.	\$155,000
TF05-052	BELDING	Ionia	Silk City Nature Trail	Development of a 3,600 lineal feet, 10-foot wide bituminous pathway, including 580 lineal feet along the Flat River and 1,400 lineal feet along Ellis Creek which connects Water Street Park and Demorest Park.	\$166,400
TF05-008	SCOTTVILLE	Mason	Riverside Park Boat Launch Site Improvements	Development of a restroom facility, fish cleaning station and picnic area at Riverside Park.	\$82,300
TF05-128	IRON COUNTY	Iron	Pentoga Park Campground Improvements	Development of campsites, utilities, roads, fishing pier and walkways to provide access to Chicaugon Lake at Pentoga Park Campground.	\$90,000
TF05-106	ADA TOWNSHIP	Kent	Roselle Park Trail Improvements	Development of trail with river overlook, vault toilet, canoe landing, boardwalk and site amenities which will provide access to Grand River at Roselle Park.	\$122,200
TF05-014	ALPENA	Alpena	North Riverfront Park Heritage Improvements	Development of walkways, parking, pavilions. Lighting, irrigation and site amenities at North Riverfront Park.	\$214,500
TF05-109	MANISTIQUE	Schoolcraft	Manistique Central Park Improvements	Development of an archery range, roads, parking, skate park, multi-purpose trail network, baseball field, basketball and tennis courts, fishing piers at a quarry pond, and restroom building at Manistique Central Park.	\$424,000
TF05-151	DNR	Various	State Park Camper Cabins	Development of 16 camper cabins at various state parks.	\$375,600
TF05-001	ALLEGAN COUNTY	Allegan	New Richmond Bridge Park Development	Development of a boat launch, dock, fishing piers, boardwalks, vault toilet building and walkways at New Richmond Bridge Park.	\$382,800
TF05-122	CASPIAN	Iron	Fishing Quarry Park Development	Development of a sheltered pavilion, fishing pier, gravel drive, parking area, site amenities and walkways at Fishing Quarry Park on the Iron River.	\$48,800
TF05-077	IRON RIVER	Iron	Apple Blossom Trail River Walkway	Development of an 800-foot non-motorized trail along the Iron River which will complete a gap in the existing Apple Blossom Trail and connect with Nanaimo Park.	\$86,700

PROJECT NO.	APPLICANT	COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF05-118	ALMIRA TOWNSHIP	Benzie	Ransom Lake Natural Area	Development of a 2,500 linear foot bituminous trail, two observation decks, restrooms, bridge and improved parking at Ransom Lake Natural Area.	\$81,400
TF05-074	MIDLAND COUNTY	Midland	Sanford Lake Park Improvements	Development of a pathway, spray park, three fishing piers, floating pier, maintenance building relocation and site amenities at Sanford Lake Park.	\$444,000
TF05-107	FREMONT	Newaygo	Fremont Town and Country Path	Development of a 9,500 linear foot multi-jurisdictional non-motorized bituminous trail to provide alternate means of transportation and recreation opportunities for residents and visitors alike.	\$130,600
TF05-086	WHITEHALL	Muskegon	Goodrich Park Renovations	Development of a play structure, fishing deck, picnic shelter with restroom, Braille sign, pathways and parking at Goodrich Park.	\$90,500
TF05-071	LANSING	Ingham	Lansing River Trail South Extension	Development of a 10-foot wide, 4,100 linear foot bituminous trail, boardwalk and bridge along the Sycamore Creek from Hawk Island Park to Maguire Park.	\$426,500
TF05-117	JACKSON COUNTY	Jackson	Falling Waters Trail Project	Development of a 10.3-mile trail, bridge, trailhead and restroom to connect Jackson City, Concord Village and the Townships of Concord, Spring Arbor and Summit to Lime Lake County Park.	\$500,000
TF05-143	DNR	Various	Campground Access Improvements	Development of state forest campground and incorporation of accessibility upgrades at one additional campground.	\$500,000
TF05-033	EATON COUNTY	Eaton	Fox Memorial Park Improvements	Development of a restroom building, shelter, fishing pier, playground, pathways, water system and parking at Fox Memorial Park.	\$298,000
TF05-124	EMPIRE	Leelanau	Lake Michigan Beach Park Improvements	Development of restrooms, entrance road, parking area, beach wall, signage, boardwalks, fishing dock and other amenities at Lake Michigan Beach Park.	\$356,600
TF05-054	YPSILANTI	Washtenaw	Riverside Park Capital Improvement Project	Development of lighting, electrical updates, bridge maintenance, a playground and park landscaping to facilitate views of the Huron River corridor at Riverside Park.	\$80,300
TF05-104	TRAVERSE CITY	Grand Traverse	Boardman Lake Trail West	Development of 1,980 feet of bituminous non-motorized multi-use recreation trail linking the west leg of the trail to the east leg at Hull Park.	\$500,000

PROJECT NO.	APPLICANT	COUNTY	PROJECT TITLE	PROJECT DESCRIPTION	GRANT AMOUNT
TF05-068	BEAVERTON	Gladwin	Beaverton Fishing Piers	Development of two lighted fishing piers on Ross Lake.	\$59,000
TF05-026	KENTWOOD	Kent	Kenneth Stanaback Park	Development of scenic trails, a basketball court, pavilion, picnic area and parking lot at Stanaback Park.	\$99,400
TF05-111	MACKINAC ISLAND STATE PARK COMMISSION	Cheboygan	Old Mackinac Point Light Station Improvements	Development of parking, signage, lighting and park amenities at Old Mackinac Point Light Station along Lake Huron at Michilimackinac State Park.	\$189,000
TF05-072	DETROIT	Wayne	Butzel Playfield Improvements	Development of walking path, play area, pathways and parking renovations at Fred M. Butzel Playfield.	\$500,000
TF05-076	CANNON TOWNSHIP	Kent	Cannon Township Non-Motorized Trail	Development of 3.7-mile non-motorized bituminous trail and boardwalk which will cross wetlands, meadows, forests adjacent to Sunfish Lake to link Kent County's Townsend Park to the Cannon Township Hall.	\$500,000
TF05-009	SCOTTVILLE	Mason	Riverside Park Campground Redevelopment	Development of barrier-free walkways, fishing piers, roads, parking areas and campground upgrades at Riverside Park Campground.	\$284,400
TF05-153	DNR	Wayne	Tricentennial State Park and Harbor	Development of 1,500 feet of pedestrian trail along the Detroit Riverfront at Tricentennial State Park.	\$500,000

MNRTF Nominations

While only State and local governments may apply to the MNRTF to acquire property, any individual, group, or organization may nominate land for consideration. A nomination is a suggestion that the DNR consider a property for acquisition. Individuals wanting to submit a nomination must complete a short form.

Nominations are compiled by the DNR's Grants Management and provided to the land managing bureaus/divisions of the DNR (Wildlife; Forest, Mineral and Fire Management; Parks and Recreation; and Fisheries) for reviews and to determine if the bureau/division wants to submit a MNRTF grant application for the property. Only those nominations which a DNR bureau/division decides to submit as an application are considered for funding, however, the MNRTF Board is provided a list of all nominations received.

Nominations may be submitted at any time, however, a list of the nominations received as of January 1, 2005 was provided to the Board at their April 2005 meeting. This gave the Board the opportunity to make note of properties of interest.

A total of five nominations were received in 2005, three of which were determined by the Department to be of high enough priority to be submitted as a Trust Fund application by one of the DNR's land managing divisions. Two applications were included in the Board's final project recommendations and approved for funding by the Legislature.

V. 2005 PROJECT EXPENDITURES

Expenditures made from the Trust Fund for calendar year 2005 for MNRTF grants and projects are provided in the lists in Appendix A. There are four separate lists: Local Government Acquisitions, Local Government Development Projects, State Acquisitions, and State Development Projects. These lists provide the following information:

- **Project Number**
- **Grant or Project Name**
- **Grantee Name:** The grant recipient for local projects.
- **Grant or Project Amount:** The local grant or DNR project amount approved by the MNRTF Board.
- **2005 Expenditures:** Expenditures made toward completing the project in 2005. For local acquisitions, this includes the grant or project amount plus additional costs directly associated with the project, such as DNR review and approval of local land appraisals. For recently approved acquisitions, if the expenditures listed are small and a large balance remains, the costs incurred in 2005 are those associated with appraisal of the property. The actual acquisition was not completed in calendar year 2005.
- **Balance:** Project or grant funds remaining taking into account the 2005 expenditures and all prior year expenditures.
- **2005 Acres:** For local and State acquisitions, if the property was acquired in 2005, or reported to the Grants Management as a completed acquisition in 2005, the acres acquired is provided. If this column is blank, either the property was acquired in a prior year and any reported expenditures represent final close out costs (such as final payment to the grantee upon completion of a file audit) or the land has not been acquired. For lands not yet acquired, reported expenditures represent appraisal-related costs.

These 2005 expenditures represent only a part of the total project or grant amount, since costs are incurred over several fiscal years. These figures do not include local match expenditures for grants to local units of government.

GRANT AND PROJECT EXPENDITURES FOR 2005
LOCAL GOVERNMENT ACQUISITION

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2005 EXPENDITURES *	BALANCE	2005 ACRES
Act 291 of 2000						
99-384	Escanaba Riverfront Property Acquisition	City of Escanaba	102,750	102,750	0	12.26
		SUBTOTAL	\$ 102,750	\$ 102,750	0	12.26
Act 81 of 2001						
00-065	Purchase of Bakers Field	Port Huron Township	375,000	35,421	0	
00-223	Wharfside Building Acquisition	City of Charlevoix	500,000	43,779	0	.08
00-328	Millennium Park Land Acquisition	Kent County	1,110,200	375	111,020	
		SUBTOTAL	\$ 1,985,200	\$ 79,575	\$ 111,020	.08
Act 120 of 2001						
01-078	Millennium Park Acquisition II	Kent County	3,390,000	500	2,427,186	
01-115	Clinton River Trail Acquisition	City of Pontiac	412,160	25,860	0	
		SUBTOTAL	\$ 3,802,160	\$ 26,360	\$ 2,427,186	.00
Act 746 of 2002						
02-013	Lost Lake Park Acquisition	Oakland Township	1,762,800	1,621,461	0	31.22
02-019	Township Park Expansion	Kochville Township	63,800	63,742	0	36.07
02-026	Resort Bluffs	Emmet County	869,400	869,712	0	5.37
02-028	Riverside Park Acquisition	City of Evart	288,400	288,400	0	28.00
02-083	Elk View Acquisition	City of Gaylord	112,000	108,803	0	2.05
02-128	Houghmaster Property	Alpena Township	1,392,900	1,384,141	0	133.00
02-133	Flat River Trail Acquisitions	City of Greenville	35,100	2,250	32,850	
02-148	Berberian Property Acquisition	City of Southfield	1,753,500	1,753,500	0	16.22
02-220	Boardman Nature Education Reserve Expansion	Garfield Township	505,000	2,250	502,750	
02-166	Macomb Orchard Trail Acquisition	Macomb County	1,718,300	1,750	1,716,550	
02-211	Waterfront Land Acquisition	City of Houghton	390,000	378,375	0	1.90
		SUBTOTAL	\$ 8,891,200	\$ 6,474,384	\$ 2,252,150	
TOTAL EXPENDITURES AND ACRES			\$ 14,781,310	\$ 6,683,069	\$ 4,793,612	266.17

* Includes employee charges associated with acquisition closing

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2005	BALANCE
				EXPENDITURES *	
Act 265 of 1999					
99-075	Betsie Valley Trail	Benzie County	254,263	25,426	0
99-209	Swain's Lake Park	Jackson County	88,750	8,875	0
		SUBTOTAL	\$ 343,013	\$ 34,301	0
Act 291 of 2000					
99-016	Curtiss Park Improvements	City of Saline	99,470	9,947	0
99-184	Trenton Linked River Park Improvements	City of Trenton	187,925	7,506	0
99-193	Ott Preserve Improvements	Calhoun County	231,962	23,196	0
99-196	Lillie Park Restoration/Redevelopment	Pittsfield Township	219,724	21,972	0
99-262	Rockport Picnic Fishing Pier	Alpena Township	50,300	5,030	0
99-266	Paint River Walk	City of Crystal Falls	167,090	16,709	0
99-401	Betsie Valley Trail	Benzie County	432,000	48,950	0
		SUBTOTAL	\$ 1,388,471	\$ 133,310	0
Act 506 of 2000					
00-016	Southwest Lakeshore Development	City of Wakefield	136,000	9,836	0
00-024	Pine River Nature Center	St. Clair Intermediate School District	370,000	37,000	0
00-058	Millennium Park Facilities Development	Kent County	50,000	50,000	0
00-146	Grayling Fish Interpretive Center	Crawford County	327,796	28,278	0
		SUBTOTAL	\$ 883,796	\$ 125,114	
Act 81 of 2001					
00-059	Pickerel Lake Trail Addition	Kent County	240,500	113,891	126,609
00-069	Fishing Access Boardwalks	Huron-Clinton Metropolitan Authority	180,000	124,468	0
00-092	New City Park Development	City of Auburn Hills	235,000	109,130	0
00-106	Westside Riverfront Park Development	City of Saginaw	256,153	226,440	29,713
00-155	River Bend Park Improvements	City of Croswell	82,240	8,224	0
00-172	Kollen Park Renovation	City of Holland	500,000	50,000	0
00-185	Ludington Park Beachhouse Renovation	City of Escanaba	192,500	38,147	0
00-188	Deerfield Hills Development Project	Deerfield Township	31,220	3,122	0
00-194	Stoffer Plaza Redevelopment	City of Albion	55,500	55,500	0
00-275	Harbor Breakwall Walkway Extension	City of Alpena	153,481	7,773	0
00-311	Bear Creek Park Development	Oakland Township	313,302	31,330	0
00-329	North-South Park Boardwalk	City of Gladwin	139,889	125,900	13,989
00-339	Lillie Park South and East Development	Pittsfield Township	386,720	49,504	0
00-354	Bay County Wetlands Improvements	Bay County	88,226	60,921	0
00-367	Lakeview Park Development	City of Portage	200,000	26,589	0
		SUBTOTAL	\$ 3,054,731	\$ 1,030,939	\$ 170,311

TF #	GRANT NAME	GRANTEE	GRANT AMOUNT	2005	BALANCE
				EXPENDITURES *	
Act 120 of 2001					
01-008	American Legion Park	City of St. Ignace	160,600	16,060	0
01-011	Hays Park Improvements	City of Watervliet	70,000	580	0
01-022	Independence Oaks Youth Camp	Oakland County	163,200	99,061	0
01-024	Hartrick Park Development	Meridian Township	488,125	383,668	0
01-029	Camp Petosega Campground Development	Emmet County	107,600	10,760	0
01-040	Buell Lake Park Improvement	Genesee County	152,529	152,529	0
01-041	Lake Erie Metropark Hike-Bike/Shoreline Trail	Huron-Clinton Metropolitan Authority	199,800	179,820	19,980
01-062	McQuisten Park Boardwalk	Munising Township	174,640	5,105	0
01-087	Bay County Trail Improvements	Bay County	22,000	18,117	0
01-092	Community Park Development	Village of Saranac	165,470	16,547	0
01-128	Hersey Multi-Use Park	Village of Hersey	163,800	109,960	0
01-134	Shiawassee River District Trails	City of Linden	125,000	104,363	0
01-139	Belding Pathway	City of Belding	211,640	21,164	0
01-142	East Twin Lake Beach/Park/Boat Ramp Improvements	Albert Township	50,718	5,072	0
01-158	Rosy Mound Improvements	Ottawa County	500,000	334,536	0
01-159	Pigeon River Greenway Improvements	Ottawa County	471,000	194,133	0
01-165	Big Rapids Riverwalk	City of Big Rapids	493,300	41,242	49,330
01-166	Gen's Parks Improvement Project	East Bay Township	121,360	7,493	0
01-179	Kent Trails-Grandville Extension	City of Grandville	471,500	210,966	123,873
01-187	Chippewa River Restoration Project	City of Mt. Pleasant	500,000	61,247	0
01-188	2001 Recreation Area Improvements	Village of Lake Linden	26,000	26,000	0
01-192	Blue Lake Park Renovations	Muskegon County	115,200	11,520	0
SUBTOTAL			\$ 4,953,482	\$ 2,009,942	\$ 193,183
Act 173 of 2003					
02-062	Pioneer County Park	Muskegon County	224,000	22,768	201,232
02-064	Bicentennial Park Improvements	Mt. Morris Township	36,600	5,779	30,822
02-077	Point Au Gres Park Improvements	Arenac County	274,600	58,148	189,252
02-139	Regional Park Trailways	City of Davison	307,700	31,670	276,030
02-163	Big Rapids Riverwalk Development	City of Big Rapids	490,000	38,082	451,918
SUBTOTAL			\$ 1,332,900	\$ 156,446	\$ 1,149,254
TOTAL EXPENDITURES			\$ 11,956,393	\$ 3,490,054	\$ 1,512,747

TF #	PROJECT NAME	PROJECT AMOUNT	2005 EXPENDITURES *	BALANCE	2005 ACRES
Act 81 of 2001					
00-240	Trail Acquisition Lump Sum	350,000	177,155	0	106.89
00-252	State Parks & Recreation Lump Sum	700,000	4,097	0	0
00-255	Wildlife Lump Sum	950,000	1,986	1,791	0
00-401	MNRTF Board Small Acquisition Grants Initiative	350,000	104,936	191,818	106.54
	SUBTOTAL	\$ 2,350,000	\$ 288,174	\$ 193,609	213.43
Act 120 of 2001					
01-205	Mackinac Island State Park Land Acquisition	500,000	92,412	83	.22
	SUBTOTAL	\$ 500,000	\$ 92,412	\$ 83	.22
Act 173 of 2005					
02-181	Alpena-Hawks Rogers City Trail Acquisition	850,000	68,290	0	0
	SUBTOTAL	\$ 850,000	\$ 68,290	0	0
Act 309 of 2005					
03-198	Wildlife Lump Sum	450,000	3,223	446,777	0
03-199	Upper Peninsula Deer Habitat Acquisition	1,500,000	301	1,499,699	0
03-209	CMS Arcadia/Green Point Dunes	4,000,000	18,265	3,981,735	0
		5,950,000	21,789	5,928,211	0
	SUBTOTAL	\$ 11,900,000	\$ 43,578	\$ 11,856,422	
TOTAL EXPENDITURES AND ACRES		\$ 21,650,000	\$ 500,462	\$ 10,620,186	213.65

* Includes employee charges associated with acquisition closing

** No acres for Trail related projects since acquisition is in linear feet or miles

TF #	PROJECT NAME	PROJECT AMOUNT	2005 EXPENDITURES *	BALANCE	2005 ACRES
Act 506 of 2000					
00-250	Fishing Piers in So. Michigan State Parks	456,500	135,722	52,109	
00-251	Pontiac Lake RA Shooting Range Upgrade	250,000	180,630	0	
	SUBTOTAL	\$ 706,500	\$ 316,352	\$ 52,109	
Act 81 of 2001					
00-242	Hersey-Evart Trail Surfacing	350,000	10,178	23,460	
	SUBTOTAL	\$ 350,000	\$ 10,178	\$ 23,460	
Act 120 of 2001					
01-204	State Forest Campground Access Improvement	500,000	6,020	41,265	
01-213	Southern Michigan Fishing Piers	330,000	302,152	23,675	
	SUBTOTAL	\$ 830,000	\$ 308,172	\$ 64,940	
Act 173 of 2003					
02-197	Rifle River Recreation Area	300,000	22,209	277,181	
	SUBTOTAL	\$ 300,000	\$ 22,209	\$ 277,181	
TOTAL EXPENDITURES		\$ 2,186,500	\$ 656,911	\$ 418,291	

VI. MICHIGAN NATURAL RESOURCES TRUST FUND FINANCIAL SUMMARY

During FY2005 (10/1/04 through 9/30/05), \$66,606,935 in revenue was generated from mineral royalties, largely oil and gas, collected under Part 19 of Act 451. The Act provides for up to one-third of those dollars - \$22,202,311 - to be appropriated and \$10 million to be transferred to the State Park Endowment Fund. The remaining revenues are deposited into an interest-bearing principal account. A deposit of \$34,404,623 will be made to the principal balance, bringing the principal balance at the close of FY2005 to \$276,145,876. Interest earned on the uninvested principal balance in FY2005 totaled \$618,798.60.

The interest earnings and investment income, plus one-third of the mineral revenues, are available for MNRTF projects and program administration. Administrative expenses for FY2005 totaled \$3,147,388.53. These costs include management of the minerals program within the Forest, Mineral and Fire Management Division, support for grants and acquisition staff in Grants Management and Office of Land and Facilities and Department of Information Technology. The payments to local governments for in-lieu of taxes on State-owned lands purchased under the MNRTF program since 1987 are also included among the administrative costs.

Project and grant award recommendations made in calendar year 2005 were based on projected funds available for grants and DNR projects during FY2005 as described below:

***PROJECT FUNDS AVAILABLE EXPLANATION**

\$26,971,504	One-third of the mineral (largely oil and gas) revenue and interest as described above. These funds were split between acquisition (80 percent, less administrative costs) and development (20 percent). While the Board is authorized to spend up to 25 percent on development, due to the large number of exceptional acquisition opportunities in 2005, the Board opted to allocate slightly more than 20 percent for development and 80 percent for acquisition.
\$0	Prior Year Revenue/Interest Adjustments. In most years, the Board's project recommendations are made prior to book closing for the fiscal year. Revenue and interest adjustments continue to be made until the fiscal year is closed. As such, there can be small adjustments that must be made in the following fiscal year.
\$29,971,504	Total Project Funds Available - Acquisition: \$29,571,504 which includes \$3,000,000 -to be lapsed from Act 746 of 2002; Development: \$7,929,723
\$185,728.35	Year End Adjustment carried into Fiscal Year 2005

**The above revenue and expenditure figures are current as of September 30, 2005.*

NATURAL RESOURCES TRUST FUND
Revenue Report
Fiscal Year Ended September 30, 2005

Revenue		Corpus	
Oil & Gas Revenue	66,606,935.07	Beginning Balance - 10/1/04	241,741,253.19
1/3 of Revenue	(22,202,311.69)	Deposit to Principal	34,404,623.38
State Parks Endowment Fund Transfer	(10,000,000.00)	Ending Balance as of 9/30/05	276,145,876.57
Amount to Principal Balance	34,404,623.38	Stabilization Reserve	12,898,174.18
		Total Corpus Investment Balance	289,044,050.75

Stabilization Reserve	
Beginning Balance	8,987,873.11
Investment Revenues	13,956,513.55
Lapses - Development	538,981.73
Lapses - Other	1,951,262.11
5% Spending	(12,536,456.32)
Ending Balance	12,898,174.18

Calculation of Funds

	Source Funds	Available Funds	Available for Acquisition
Other revenue-non Oil and Gas	2,909,848.87	2,909,848.87	
Investment Income-5% of Corpus	12,536,456.32	12,536,456.32	
Revenue (1/3)-Available to Appropriate	66,606,935.07	22,202,311.69	
	82,053,240.26	37,648,616.88	37,648,616.88

Less 20% of Available Funds for Development Projects FY 2005* (7,529,723.38)

Less:

Administrative Expenditures

Grants Management	(346,142.42)
Cost Allocation Charges (Admin & Rent)	(270,733.61)
Other Departments	(48,844.22)
Payment-in-Lieu of Taxes	(562,240.38)
Forest Mineral & Fire Management	(594,856.94)
Oil & Gas Audits	(352,650.00)
DIT	(739,578.56)
LOTS Development	(232,342.40)
Total Administrative Expenditures	(3,147,388.53)

Funds Available for Acquisition Projects FY 2005 From Interest and Revenue 26,971,504.97

Funds Available for Projects	Acquisition	Development	Total
	26,971,504.97	7,529,723.38	34,501,228.35
Add: Lapse from P.A. 746 of 2002	3,000,000.00		
Transfer from acquisition to development	(400,000.00)	400,000.00	
Total Funds Available FY 2005	29,571,504.97	7,929,723.38	37,501,228.35
Less:			
Approved projects-Act ____ of 2006	(29,490,000.00)	(7,825,500.00)	(37,315,500.00)
Funds remaining of FY 05 Available Funds	81,504.97	104,223.38	185,728.35

*Acquisition floor is 25%, development ceiling is 25%
May be higher